



SCOTT & WHITE
Healthcare

May 23, 2011

The Honorable John Cornyn
United States Senate
517 Hart Building
Washington, D.C. 20510

Dear Senator Cornyn:

I am writing today in regards to the proposed Independent Payment Advisory Board (IPAB) created by the Patient Protection and Affordable Care Act (PPACA) and potential impact on our healthcare system.

Scott & White Healthcare (SWH) is a Central Texas based, non-profit healthcare system with 12 hospitals, more than 60 clinics, and an 240,000+ member health plan. Scott & White Healthcare is the principal research and education campus for the Texas A&M Health Science Center College of Medicine.

SWH is supportive of initiatives to identify fraud and waste in the healthcare system and to incentivize high value healthcare in this country, but we have concerns and questions about the process that will be used by the IPAB to implement cost savings in Medicare and Medicaid.

Although hospitals are exempt from the IPAB jurisdiction initially, we have concerns about the immediate uncertainty at hand with regard to physician payments. With the double jeopardy of the unsustainable SGR formula for Medicare Part B physician payments and the proposed IPAB cost reductions goals, we are uncertain what the future holds for physician payments. With over 800 physicians providing healthcare within our system, what seems a small change to the payment structure is magnified.

Additionally, an integrated system such as Scott & White Healthcare is subject to payment reductions through IPAB on both the hospital side and the physician side. With 12 hospitals and 800+ physicians, these payment reductions could have a great impact on our system. While payments may be cut from both sides by IPAB, we are still required to screen and stabilize each person who enters an emergency department in our system through EMTALA, regardless of these cuts.

Thank you for your consideration of these comments.

Sincerely,

Robert Pryor, M.D., M.B.A.
President & CEO

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Director, Scott & White Center for Healthcare Policy

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